GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2538
ANSWERED ON:04.12.2007
DE- RESERVATION OF SSI ITEMS
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government has any proposal to prune the list of 506 items reserved for small scale sector by 20 per cent ;

(b) if so, the details thereof and the reasons therefor;

(c) whether small scale industries will be affected by the proposal; and

(d) if so, the steps proposed to be taken to protect the interests of such industries?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) to (b) At present there are 114 items reserved for exclusive manufacture by micro and small enterprise (MSE) sector. Before identification of products for dereservation from the list of products reserved for exclusive manufacture by micro and small enterprises (MSEs), Industries Associations, Ministries of the Government and specialists concerned are consulted. The Government also takes into account the recommendations of the Advisory Committee constituted under the Industries (Development and Regulation) Act, 1951, on the proposal submitted on the basis of such consultation. In the above said process of consultation and recommendation, several criteria including, inter alia, domestic and global competitiveness, potential for employment and export, technical feasibility and economic viability of manufacturing reserved items in the micro and small scale sector, need for technological upgradation and attaining economies of scale, etc., are taken into consideration. No percentage for dereservation is decided in advance.

(c): No adverse impact of past dereservation has been specifically reported from anywhere.

(d): The Government continues to watch the performance of the micro and small enterprises and implements various supplementary schemes and programmes in collaboration with the states to provide support measures aimed at enhancing the productivity and competitiveness of the MSEs.